

GENERAL FUND MAJOR REVENUES

❖ ASSESSED PROPERTY VALUATION

- *The economic downturn of the past 24 months has resulted in slower growth in AV during that period than average. Although net increases in the property tax base in the five-year period through FY 01-02 averaged 4.3%, net growth has slowed to 0.46% in FY 02-03 and is expected to increase by only 0.80% in FY 03-04.*
- *Increases in AV from new real and personal property have not been much greater than the decreases in AV due to depreciation on business property and motor vehicles*
- *Property tax revenue collected in FY 03-04 is expected to equal budgeted revenue of \$99.1 million based on a conservative growth projection*
- *The octennial property revaluation on January 1, 2004 will be effective with the FY 04-05 budget. Most residential property values are expected to increase by 10% or more and the combined residential, business and public service company property values are expected to increase by 20% or more, similar to increases experienced January 1, 1996, when the City-wide assessed valuation increased by 24%.*

❖ SALES TAX REVENUE

- *Retail sales continue to lag statewide retail sales. In FY 02-03 retail sales in Greensboro declined by 2.5% from the previous year while statewide sales increased by 3.7%.*
- *In FY 02-03, we received 4.9% more in sales tax revenue than in FY 01-02, due to an additional ½ cent sales tax effective January 1, 2003. Collections from the 2.0% tax levy were \$27.27 million, a decrease of 4.7% from the previous year; however, collections of \$2.75 million from the additional ½ cent sales tax resulted in a combined \$30.02 million.*
- *Retail sales have been relatively flat through the first quarter of FY 03-04. Actual year-to-year comparisons are skewed for the first quarter, due to the additional ½ cent tax, an adjustment to the July '03 payment of approximately \$900,000 resulting from the change from quarterly payments to monthly payments by the State and the change in distribution method by Guilford County from a per capita basis to a percent of assessed valuation basis.*
- *We are currently projecting FY 03-04 sales tax revenue of \$32.9 million, or about \$1 million or 2.9% less than budgeted. Retail sales activity for the remainder of the year is expected to improve.*